

News Release

TENTATIVE AGREEMENT REACHED IN AIK COMP CASE

Details to be completed in coming weeks, hearing set for Oct. 11 in Franklin Circuit Court

FRANKFORT, Ky. (Sept. 26, 2005) – The rehabilitation of failed workers' compensation self-insured group AIK Comp took a step toward resolution today under a tentative agreement reached through court-ordered mediation. At issue had been the plan of reorganization and the method used to arrive at member assessments.

Some of the involved parties, including rehabilitator Glenn Jennings and attorneys from five of the law firms who represent a large number of group members, appeared in Franklin Circuit Court this afternoon to present the tentative plan to Judge William L. Graham.

Details of the plan will be worked out in coming weeks with a fairness hearing scheduled on Oct. 11 in Franklin Circuit Court. Key elements include the payment within 60 days of member assessments, an increased involvement of members in claims management and certain limits placed on future assessments.

"Obviously, we are pleased to have reached a tentative settlement agreement, which brings value to the AIK Comp rehabilitation effort, supplying protection for both the injured workers and group members," said Jennings, who also serves as executive director of the Kentucky Office of Insurance. "I give a great deal of credit to Judge Graham and Michael Troop, our mediator, as well as to the attorneys representing this group of members. It was a great example of cooperation from all parties for the common good."